



INTERDEPARTMENTAL MEMORANDUM

SUBJECT: 2012-2013 Biennial Budget Instructions

DATE: July 26, 2010
TO: All Departments and Agencies
FROM: Dawna Lopatosky, Acting State Budget Officer
Bureau of the Budget

Accompanying this memorandum are the general instructions for preparing your budget submission for the 2012-2013 biennium. All budgets are required by law to be received by the Bureau of the Budget **no later than September 1, 2010**. No extensions to this deadline will be granted. Timely submission of all required materials is imperative.

The Budget and Financial Management System (BFMS) reflects final (Actual) FY 10 data and authorized (Estimated) FY 11 data through the end of the Second Regular Session of the 124th Legislature. Appropriations and allocations passed as 90-day laws are included in the amounts for FY 11.

STRUCTURAL BUDGET GAP:

The General Fund structural budget gap for the 2012-2013 biennium is expected to be approximately \$1.2 billion. A structural budget gap is also expected for the Highway Fund. Neither fund is expected to realize funding relief from revenue rejections or downward revisions in estimated expenditure growth. This fiscal outlook for the General Fund and the Highway Fund will guide the budget development, review and recommendation process for the 2012-2013 biennium.

TIME LINE:

Enclosed with this guidance document, as **Attachment D**, is a projected time line of events for the biennial budget process. Please remember that situations may arise that may necessitate changes to the schedule. Budget requests that do not follow the enclosed time line will not be considered.

EMERGENCY BUDGET FY 11 and CURTAILMENT FY11

Separate memoranda were issued on July 7, 2010 regarding supplemental budgets and the curtailment of allotment for FY 11. If the emergency supplemental request for FY 11 involves activities that will need funding in FY 12 and FY 13, please include the item in your budget request and refer to the emergency item in the justification for the initiative. Please refer to these memorandums for additional information. These items must be received by the Bureau of the Budget no later than September 1, 2010.

The information contained in this memorandum and the attachments together with other mailings concerning the budgetary process should provide you with the information necessary to complete your submission. However, if you have questions concerning any phase of this process please contact your Budget Analyst in the Bureau of the Budget.

Attachments

cc: Ellen Schneider, Acting Commissioner, Department of Administrative and Financial Services
Jane Lincoln, Chief of Staff
Budget and Position Control Analysts
Grant Pennoyer, Director, Office of Fiscal and Program Review

**Attachment D Timeline of Events
2012-2013 Biennial Budget**

July 7, 2010	FY 11 Emergency Supplemental Budget and curtailment instructions issued to agencies.
July 26, 2010	2012-2013 Biennial Budget and revenue instructions and Fiscal Outlook memorandum issued to agencies.
July 30, 2010	Baseline and adjusted baseline end-user and application technology templates completed and submitted to the Bureau of the Budget with funding information.
September 1, 2010	Receive budget and revenue requests from agencies.
September 1, 2010	Receive revenue projections for FY 12 and FY 13 from agencies.
September, 2010	One-on-one meetings to review agency curtailment and related FY 11 emergency supplemental proposals.
September through October, 2010	Review budget submissions with agencies, including technology budgets and reduction options. (One-on-one meetings may be limited to critical, high priority requests and reduction proposals).
October 13, 2010	Compile for the Revenue Forecasting Committee the preliminary General Fund and Highway Fund revenue projections for FY 12 and FY 13.
October 13, 2010	Issue budget forms to off-line agencies for verification of data.
November, 2010	Review and determine Governor's budget recommendations, and conduct with agencies any follow up review of requests.
November 1, 2010	Receive from the Consensus Economic Forecasting Commission the economic assumptions for FY 12 and FY 13.
December 1, 2010	Receive the official General Fund and Highway Fund revenue projections from the Revenue Forecasting Committee.
November through December, 2010	Revise and/or amend budget recommendations with Governor. (This may include follow-up one-on-one meetings with specific departments or agencies).
January, 2011	Submit to the Legislature the Governor's budget document. <i>Note: The Governor-Elect has until February 11, 2011 to submit the budget in accordance with Title 5 §1666.</i>

Note: This timeline is tentative and subject to change.